Steve Rothschild

From:

Steve Rothschild

Sent:

Tuesday, February 10, 2015 8:34 PM

To:

Krasik, Curtis B.

Cc:

Peter Paterno; Joe Carlone

Subject:

RE: Settlement Proposal--ESSENTIAL POINTS SUMMARY and discovery issues

Curt:

Your counterproposal wasn't clear. Thank you for explaining it. The only "consideration" of any hypothetical value that Caiafa is offering is to stop using his fraudulent exclusive ownership misrepresentations to prevent Hot Topic from buying the Misfits Skull from Danzig, but only for so long as Danzig remains with Live Nation.

In exchange, Caiafa is demanding 1/2 of all of Danzig's profits from the Skull, which Caiafa never before prevented Danzig from merchandising to retailers other than Hot Topic; 1/2 of Danzig's profits from merchandising the other marks which Caiafa never before prevented him from merchandising to Hot Topic and other retailers; a reunion tour from which Caiafa expects huge profits based only on Danzig's participation, including increased profits from merchandising; sync and mechanical licenses to Danzig's music on favorable terms; and a relationship with Live Nation to merchandise designs in which Danzig has no interest. On top of that, Caiafa is refusing to agree to language that will require him clearly to distinguish merch designs related to his Misfits from merch designs related to the Classic Misfits.

At this point, we have not met and conferred concerning deficiencies in your responses to our requests for production, your client has produced no documents, there is no protective order in place, and we have no enforceable assurances that, if we produce our client for deposition, you will produce Messrs. Caiafa and Cafiero for their depositions in time to use their testimony to oppose your threatened motion for summary judgment (or at all). In addition, without the documents we requested, we will not have a full and fair opportunity to question your client and his manager.

Let's talk tomorrow realistically about how to proceed now that it appears that we are going to try this case.

From: Krasik, Curtis B. [Curtis.Krasik@klgates.com]

Sent: Tuesday, February 10, 2015 7:21 PM

To: Steve Rothschild

Cc: Peter Paterno; Joe Carlone **Subject:** RE: Settlement Proposal

Steve.

The issue, as you know, is the Cyclopian's 2003 settlement agreement with Hot Topic which requires Hot Topic to purchase Fiend Skull merch exclusively from Cyclopian or one of its authorized licensees. Paragraph 8 makes clear that if Cylcopian enters into a non-exclusive license with a successor merchandiser with whom Danzig contracts, that merchandiser would be an authorized Cyclopian-licensee and therefore authorized to sell Fiend Skull merch to Hot Topic under the settlement agreement. If Cyclopian doesn't enter into a non-exclusive license with Danzig's successor merchandiser, that merchandiser would not be a Cyclopian-licensee and the 2003 settlement agreement precludes Hot Topic from purchasing Fiend Skull merch from that merchandiser. Cyclopian's 2003 settlement agreement with Hot Topic says nothing about the Misfits word or horror font marks so there is no restriction on Hot Topic purchasing merch bearing those marks from Danzig-licensees, as I believe Hot Topic does currently.

From: Steve Rothschild [mailto:Rothschild@khpblaw.com]

Sent: Tuesday, February 10, 2015 9:44 PM

To: Krasik, Curtis B.

Cc: Peter Paterno; Joe Carlone **Subject:** RE: Settlement Proposal

Your paragraph 8 seems to provide that if Cyclopian does not enter into a merch agreement with a successor merchandiser that Danzig contracts with, it will not allow Hot Topic to buy the Skull design from the new merchandiser. Is that a correct reading? Also, as to the Misfits word and horror font marks, is your client's position that Hot Topic cannot do business with successor Danzig merchandisers?

98. Live Nation and Danzigor any successor-licensee to which Cyclopian grants a non-exclusive license shall be authorized to sell merch depicting the Fiend Skull to Hot Topic notwithstandingunder Cyclopian's settlement agreement with Hot Topic dated as of April 18, 2003, and Hot Topic shall no longer be bound by the 2003 agreement with respect to Danzig and his merchandisers and/or licensees.

From: Krasik, Curtis B. [mailto:Curtis.Krasik@klgates.com]

Sent: Tuesday, February 10, 2015 5:39 PM

To: Steve Rothschild

Subject: RE: Settlement Proposal

Yes, subject to our proposal under Paragraph 5(f) that the parties would continue to split profits 50/50 under any new license if Cyclopian agrees to grant Live Nation or such other merchandiser(s) a nonexclusive license.

From: Steve Rothschild [mailto:Rothschild@khpblaw.com]

Sent: Tuesday, February 10, 2015 8:26 PM

To: Krasik, Curtis B.

Subject: Re: Settlement Proposal

Is that the same for the skull?

Stephen Rothschild

On Feb 10, 2015, at 5:17 PM, Krasik, Curtis B. < Curtis.Krasik@klgates.com wrote:

Steve,

If I understand your question correctly, no, that is not correct. Under Paragraph 3, your client (through the jointly-owned entity) would co-own the Misfits word mark and horror font logo in connection with commercial merchandise. Under Paragraph 5, we have proposed that except with respect to the limited production skateboard license you described, your client would exclusively grant merchandising rights to Live Nation for the duration of his existing license with Live Nation. After the expiration of that license, there is no restriction on his right to license those marks to another merchandiser.

From: Steve Rothschild [mailto:Rothschild@khpblaw.com]

Sent: Tuesday, February 10, 2015 7:53 PM

To: Krasik, Curtis B.

Subject: RE: Settlement Proposal

That is, with respect to pre-1995 designs.

Stephen D. Rothschild King, Holmes, Paterno & Berliner LLP 1900 Avenue of the Stars, 25th Floor Los Angeles, CA 90067

Telephone: 310-282-8986 Facsimile: 310-282-8903

Email: rothschild@khpblaw.com

From: Steve Rothschild

Sent: Tuesday, February 10, 2015 4:51 PM

To: 'Krasik, Curtis B.'

Subject: RE: Settlement Proposal

Curt:

Your proposal appears not to give our client any rights in the Misfits word or font marks if he does business through a merchandiser other than Live Nation. Was that intentional?

Stephen D. Rothschild King, Holmes, Paterno & Berliner LLP 1900 Avenue of the Stars, 25th Floor

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From: Krasik, Curtis B. [mailto:Curtis.Krasik@klgates.com]

Sent: Tuesday, February 10, 2015 2:22 PM

To: Steve Rothschild **Cc:** Krasik, Curtis B.

Subject: Settlement Proposal

Steve,

Per our discussion, attached are revised clean and redline versions that I think answer your questions -- Misfits designs does not include the Fiend Skull so I deleted that defined term. Paragraph 5(f) describes the split of royalties on Fiend Skull merch and Paragraph 5(g) describes royalties on post-1995 Misfits designs not including the Fiend Skull. Please let me know if you want to discuss further.

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